



NEWS 2 USE

What's Inside: Now Pay by Credit Card / Important Drop Box Update / Employer of the Month / A New Dental PPO Plan

Message from Deputy Director Kevin Nolan

Dear Healthcare Group Employer,

Since my tenure began at Healthcare Group of Arizona (HCG) earlier this year, I am continuously reminded of the value in keeping the lines of communication open. A majority of our members have asked when they would see the next newsletter and I'm pleased to say it's here. In an effort to save printing and mailing costs, we have decided to share the newsletter electronically. Please let us know how you feel about receiving this news online, as opposed to our usual hard copy version. We will also be sharing up-to-the-minute information and announcements via e-mail. In order to reach more of you and to keep you informed online, we will be requesting your e-mail address in multiple forums throughout the coming months. Please continue to help us stay in touch with you and enjoy the fall edition of News2Use. I'm happy to share it with you.

Many of you have inquired about the recent changes at Healthcare Group. In the past few months you have received communications from us regarding the challenges Healthcare Group faces as the State's only guaranteed-issue, community-rated healthcare plan. We realize that in many cases Healthcare Group of Arizona (HCG) is the only healthcare option for small businesses like yours. As a mission-driven organization, with our Mission to "insure the uninsured," we intend to continue serving your healthcare needs for many years to come.

In the most recent legislative session, the Arizona State legislature has placed an enrollment freeze on the number of new groups permitted to enroll in the HCG program after September 18, 2007. This means that we will not be permitted to allow existing businesses to reinstate if their coverage terminates. These restrictions will be in place through July 31, 2008. Your company, as an existing employer group, is still encouraged to grow, hence growing the number of members on the HCG program. We value your business and want to ensure all of your employees and dependents are provided a quality, State-sponsored healthcare option.

This freeze on new enrollments will not have an effect on you or your business unless you are delinquent in making your premium payment. In the past, if you missed a payment, you would be terminated in our system and have an opportunity to re-enroll. Upon re-enrollment, your business would generally be accepted back on the plan. As of 5 p.m. on September 18, 2007, this policy will change. After this date, if you terminate in our system due to non-payment, your group will be unable to re-enroll until August 1, 2008. The legislature requires that we make no exceptions to this new policy. **WE CAN'T STRESS STRONGLY ENOUGH THE IMPORTANCE OF PAYING YOUR PREMIUMS ON TIME.**

Between now and next summer, you will see some positive changes at HCG. Those on a Healthstyles plan have recently seen the '08 plans – available

September 1, 2007 – which are designed to keep our members well by not requiring them to meet the deductible when seeing their PCP for evaluative visits (the deductible will also not be required for basic lab and x-ray). On September 1, regardless of renewal date, all members received an increase in premium. We are pleased to inform you that this will be the last increase of the fiscal year, which runs July 1 through June 30. In 2008, you will not receive an increase again until September. In addition, all members will begin to see a more informational and interactive Web site. Our goal is to ensure we provide you and your employees with all the tools you need to understand and better utilize your health plan.

As always, we value your business and hope you will continue to support us. We urge you to keep us up-to-date on any changes in your business or contact information, and to share your e-mail address with us so we can send you up-to-the minute information (directions inside).

Reminder: If your coverage is terminated due to non-payment, or any other reason, you will be unable to re-enroll in Healthcare Group until August 1, 2008.

Together in Health,

Kevin Nolan
Deputy Director
Healthcare Group of Arizona

together in health

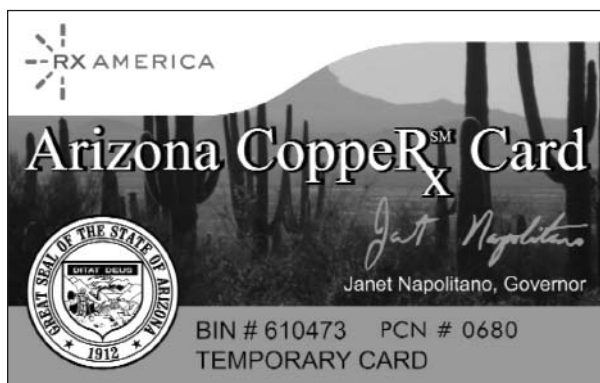


Meet Kevin Nolan

Kevin Nolan joined Healthcare Group of Arizona in January. He worked previously at Affinity Health Systems in Wisconsin, where he spent seven years as President and CEO. Nolan's experience in medical management spans 32 years and six states, and includes a history of creating record patient satisfaction, operating margins, and financial turnarounds. An alumnus of Suffolk University and University of Pittsburgh, Nolan holds a Bachelor of Science Degree in Business and a Master's Degree in Hospital Administration. He resides in Scottsdale with his wife, Liesel, and is an avid golfer.

Arizonans Save on Prescription Drugs

The State of Arizona is excited to announce savings on prescription drugs, diabetic supplies and pet medications for Arizona residents by using the Arizona CoppeRxSM Card. The Arizona CoppeRx Card is a discount prescription drug program available to all residents of Arizona, and is ideal for Healthcare Group of Arizona members in need of medication(s) not covered by their health plan.



The CoppeRx Card is free and is available to all Arizona residents. Those who use a CoppeRx Card can save from 15 to 55 percent on prescription drugs at more than 500 participating pharmacies in Arizona, including Costco, CVS, K-Mart, and Target. Members can also save on mail-order prescriptions.

Signing up for the Arizona CoppeRx Card is easy. Arizonans interested in receiving a free discount prescription card can call toll free 888.227.8315 or sign up online by visiting www.azcoppercard.gov. While online, members can download a free temporary card and start receiving savings today!

The CoppeRx Card originally began as a medication discount program for seniors in 2003, and has since saved Arizonans a total of almost \$15 million dollars. The card was launched to all residents of the State in 2006. The Arizona CoppeRx Card is brought to members in partnership with RxAmerica.

When Should You Call Your Health Plan?

Healthcare Group Customer Care is a helpful resource for your business and answers questions related to enrollment, billing, ID cards, and plan changes without issue.

If you are on a PPOS plan, Healthcare Group should be contacted directly for all questions.

If you or your employees, however, are on an HMO plan and have questions in the following areas, please contact your health plan (Care1st, Mercy or UPH) directly: Medications & Formulary, Claims, Provider PCP Change, Provider Availability, Provider Referral Status, Non-Covered Services, Non-Formulary Drug, Out-of-Network Referral, Pre-Existing Condition, Appeal, Prior Authorization, Grievance

For our HMO members, the health plans can easily access the information needed to address questions related to the items above. They take an active role in these issues and will be happy to help. You can contact the applicable health plan by calling:

Care1st Health Plan Arizona
602.778.8300 / 866.560.4042

Mercy Healthcare Group
602.798.2800 / 800.780.2300

University Physicians Healthcare Group
520.874.5290 / 800.582.8686

HCG Customer Care is available Monday thru Friday from 7:30 a.m. to 5:30 p.m. (except holidays)
602.417.6755 / 800.247.2289 (outside Maricopa County)
E-mail: hcg@hcgaz.com

Fast, Convenient Ways to Pay Your Premium

Healthcare Group (HCG) knows that as a small business you are likely looking for ways to decrease the time it takes to conduct your administrative tasks. To help administer the payment of your healthcare coverage, we offer multiple ways to make your monthly HCG payments.

You can make your payments in person or by mail, by automatic debit, or online through your bank account. HCG now also offers the ability to pay online via credit card. Read further to learn more about automatic debit and payment by credit card.

Automatic Debit

Do you have a tendency to forget to make some of your recurring payments on time? Are you so busy running your business that the first of the month seems to fly by? Your business could benefit greatly from our auto-debit payment system. Auto-debit payments are taken directly from your savings or checking account (whichever you specify) on the first business day of each month preceding the coverage month.

FAQS ABOUT AUTO-DEBIT

Will automatic debit occur the month immediately following the date my business signs up? Not usually. It can take up to two months for the request to be processed by the bank. During this time, employers need to pay by other means until the auto debit is in effect.

I'm on auto debit and I've recently added a new employee or dependent; will their premium be taken out of my account immediately? It can take up to two months for this addition to reflect in your automatic debit. As such, employers need to pay for their added employee or dependent separately until the new member is reflected on their monthly statement.

My premium is deducted automatically and I terminated an employee the first of the month. Will my bank take out less premium dollars this month to reflect this? Generally, you will receive a credit for the terminated employee on the next month's statement.

I'm on auto debit and I've just switched banks. Will my auto debit continue to occur? Actually, you will need to submit a new deposit slip or voided check with the new institution's information. As when you first signed up for auto debit, it can take up to two months to process and you must pay by other means during this time.

Is there a fee to my business for this service? No. HCG does not charge a fee for any of their payment services.

What happens if there are insufficient funds in my account? We understand that maintaining a monthly budget can be challenging. As such, if there are non-sufficient funds (NSF) in your account when we pull the premium amount on the last day of the month, we will allow a five-day grace period. During this time you are permitted to make your payment without losing your benefits. If you have more than two NSFs within a 12-month period, HCG reserves the right to request certified funds for future premium payments.

How secure is the transaction?

Very secure. As soon as you click the "Make a Payment" button, you are transferred to Bank of America's secure Web site to complete the transaction. The Web site is SSL 128-byte level security. (SSL 128 means Secure Socket Layer with 128-byte encryption.)

If you're interested in signing up for auto-debit, like almost 25% of other HCG-enrolled businesses, go to the Forms section of www.hcgaz.com and complete the Automatic Debit Authorization form. This should be submitted along with a deposit slip or voided check.

Credit Card

HCG now accepts payment by credit card. Simply click the Make a Payment button on the www.hcgaz.com Web site, enter your account number and zip code, and then select the credit card payment option.

FAQS ABOUT PAYMENT BY CREDIT CARD

When I make a payment by credit card, when is it processed? Payments by credit card are processed within 48 hours.

Can I pay my monthly premium with different credit cards? Yes. You can split tenders with the credit card option. You will need to note that the screen updates overnight. If you're splitting tenders, you will not see an update to the balance until the following morning. (For example, if you're monthly premium is \$800 and you pay \$400 on your Visa; you can then enter the system again and pay \$400 on your MasterCard, however, the system will still show that you owe \$800 until the following morning.)

Can I pay my premium in multiple ways?

Yes. You can pay an amount of your choosing on your credit card (or cards) and then pay the balance through your bank account. Whatever is most convenient for you.

How secure is the transaction?

Very secure. See detailed response to this question in the column to the left.

Is there a fee to my business for this service? No. HCG does not charge a fee for any of their payment services.

Now more than ever it's vital to pay your premiums on time. With so many easy ways to pay, you should always find it convenient to make your monthly premium payments!

IMPORTANT UPDATE Re: HCG's Payment Drop Box

The payment drop box on the first floor of 10851 N. Black Canyon Highway (south side) will no longer be available after November of this year. If you generally make your payments via drop box on the first floor of the HCG building, you will be redirected to suite 660 once the drop box has been removed. Please look for additional information on the Web site and in future communications. Remember that you can also make your payments online or by phone. Please contact HCG Customer Care with any questions.

University Physicians Healthcare Group Now Open for Business in Maricopa County!



"... UPH understands the great potential that this program holds to reduce the number of uninsured small businesses in Maricopa county and the State of Arizona."

University Physicians Healthcare Group, a division of University Physicians Healthcare (UPH) of Tucson, Arizona, is now open for business in Maricopa County. Maricopa is the seventh county in the state where University Physicians HCG is available. It has served Pima and Cochise counties since 1987 and expanded to Graham, Greenlee, Pinal, and Santa Cruz counties in 2005.

Kathleen Oestreich, CEO, University Physicians Health Plans, states "We are very pleased to be able to offer this excellent program to the people of Maricopa. As a corporate citizen committed to the health and welfare of the citizens of Arizona, UPH understands the great potential that this program holds to reduce the number of uninsured small businesses in Maricopa county and the State of Arizona."

Oestreich was named a Tucson Woman of Influence by Inside Tucson Business in 2005 for her efforts at University Physicians HCG, on behalf of the uninsured. She has also addressed many community and governmental organizations to raise awareness of the issue of the uninsured within our

State. University Physicians Healthcare is the largest Multi-Specialty Physician organization practicing in the State of Arizona. University Physicians HCG is the largest Healthcare Group of Arizona plan in Southern Arizona, with over 9,800 members. University Physicians Health Plans also operates two additional health plans serving the citizens of Arizona.

University Physicians HCG offers various flexible HMO plans and recently, in conjunction with Healthcare Group of Arizona, added dental and vision coverage options. Premiums start as low as \$105, and may be funded by employers, employees or a combination of both.

As Oestreich proclaims, "The hard-working people of the State deserve reasonably-priced healthcare coverage options, and we are proud to be doing our part to deliver them."

Additional information about the plan is available by phone: 866.407.0960 or on the Web: www.uphcg.com.

What is a Deductible?

In an insurance policy, the deductible is the portion of any claim that is not covered by the insurance provider. It is normally a set dollar amount that the insured must pay before the policy's benefits will apply.

Most health insurance policies have deductibles. Typically, the higher the deductible, the lower the premium. We recommend, before raising your deductible, you analyze your total out-of-pocket costs to ensure you can meet the deductible in an emergency or urgent health situation.

How Deductibles Work at Healthcare Group

HCG's plans have an individual and a family deductible, which is two (2) times the individual amount. If the member enrolls his/her dependents and are on a "family plan," the deductible requirement will be met when twice the individual deductible has been paid by the member. The covered services subject to the deductible will not be paid by HCG, as the deductible amount is the member's responsibility. For example, if the member signs up for a \$1,000 deductible plan, and also signs up his/her dependents, a deductible of \$2,000 must be paid before the member's deductible requirement has been satisfied and HCG begins to pay for covered services.

With an emphasis on our members' health, we have updated our benefits so that the deductible no longer has to be met when members visit their primary care physician (PCP). HMO members will only be responsible for their co-pay any time they visit their PCP for evaluative visits or go to an urgent care center, in addition to basic lab and x-ray services.

If you're interested in changing your deductible amount at your annual renewal, Healthcare Group is happy to assist you and your employees find the right plan with the right deductible amount. Regardless of your contract date, the deductible amount is accumulated on a calendar year (January to December).

HCG Now Offers a Dental PPO Plan

HCG now offers an additional dental plan: The Principal Plan Dental PPO. This plan provides statewide access to a large network of dentists the rural counties, as well as in Maricopa and Pima counties. Benefits include both in- and out-of-network options. Family members have their choice of dentists within the PPO network and are not required to choose one family dentist.

The PPO dental plan and the Employers Dental Services (EDS) plan are available to all groups at renewal, regardless of the number of employees who enroll. There isn't a participation requirement for either dental plan. Those signing up for dental, however, must be enrolled in the Healthcare Group medical plan. For more information, visit www.hcgaz.com or www.principal.com. You can also visit EDS at www.mydentalplan.net.



Good Dental Health Leads to Good Overall Health

Have you been contemplating dental coverage for yourself and your family? If you could link good dental hygiene to good overall health, would you consider enrolling in this ever-important benefit? A study conducted by the Journal of Periodontology showed that individuals with coronary artery disease (CAD) were more likely to have periodontitis than non-cardiac patients. This study found that 91% of patients with cardiovascular disease suffered from moderate to severe periodontitis. Periodontitis seems to influence the occurrence and severity of CAD, increasing the risk of heart attack or stroke.

"...91% of patients with cardiovascular disease suffered from moderate to severe periodontitis. Periodontitis seems to influence the occurrence and severity of CAD, increasing the risk of heart attack or stroke."

According to a Web site for better dental health, since 1998, researchers have been studying possible connections between gum disease and:

- **Atherosclerosis and heart disease** – Gum disease may increase the risk of clogged arteries and heart disease
- **Stroke** – Gum disease may increase the risk of the type of stroke that is caused by blocked arteries
- **Premature births** – A woman with gum disease during pregnancy may be more likely to deliver her baby too early; the infant may be more likely to be of low birth weight
- **Diabetes** – Those with diabetes and periodontal disease may be more likely to have trouble controlling their blood sugar than diabetics with healthy gums
- **Respiratory disease** – Gum disease may cause lung infections and worsen existing lung conditions

While more research needs to be conducted to say for certain that people with periodontal disease are at higher risk for the above conditions, periodontal disease is a bacterial infection, and all infections are cause for concern. Periodontal disease is caused by bacteria in dental plaque, the sticky substance that forms on your teeth a couple of hours after you have brushed.

Your body's response to the bacterial infection can cause residual health problems. Swollen and bleeding gums are early signs that your gums may be infected with bacteria. If no treatment is received, the infection can spread.

If you value your oral health, as well as your overall health, it's probably time for a periodontal evaluation – sometimes the only way to detect periodontal disease. A periodontal evaluation may be especially important if you:

- Notice any symptoms of periodontal disease
- Have any of the above conditions
- Are thinking of becoming pregnant

Practicing good oral hygiene and visiting a dentist regularly (about once every six months, or more often if you have gum disease) can prevent periodontal disease.

Now more than ever good dental hygiene is vital to your overall health. Healthcare Group now offers two quality dental plans: an HMO through Employers Dental Services and a PPO through the Principal Plan Dental. Employees must be enrolled in the medical plan to enroll in a dental plan; but there is not a group participation requirement.

Sources: *Journal of Periodontology*, *American Academy of Periodontology*; www.perio.org; www.simplestepsdental.com

Conversion Coverage Q & A

Healthcare Group offers conversion coverage for groups of all sizes. As you may know, COBRA coverage is a federal right for groups of 20 or more. For groups of 19 or fewer, excluding HCTC members, a provision of the HCG Group Service Agreement (GSA) states that we will provide continuation of coverage in the event of a qualifying event. Since this is a provision within our GSA, if an employer group terminates coverage, or becomes ineligible, HCG will not provide conversion coverage for groups with fewer than 20 members. As a reminder, HCG reserves the right to change its GSA with proper notification.

I had to let one of my employees go. Can they (or their eligible dependents) still obtain healthcare coverage?

For Healthcare Group employers, continuation coverage is available for employees upon request as a result of one of the following qualifying events: termination of employment, divorce, or death of the eligible employee.

How long will he/she be covered?

Coverage may be continued for up to six months for groups with fewer than 20 employees, or 18 months for groups of 20 or more from the date of the qualifying event for employees and their eligible dependents.

Do I need to continue to pay their premium?

For groups of 20 or more employees, COBRA coverage premiums for terminated employees are included in the group's premium. The employer can choose what percentage (if any) to contribute toward the employee's premium. Non-COBRA coverage (or Conversion) employees, of groups with fewer than 20, will receive a separate premium billing statement in the mail that the employee is responsible to pay to remain covered.

How do I sign up a terminated employee?

1. If the employee's employment is terminated, send in the Employee Enrollment/Change Form (available at www.hcgaz.com) indicating the employee's termination date.
2. Allow the employee 31 days from the date of the qualifying event to decide whether or not to sign up for conversion coverage. If the employee decides to enroll in conversion coverage, specify Conversion Enrollment at the top of an Employee Enrollment Change Form and the reason for the conversion coverage.
3. Send the form and two month's premium payment to Healthcare Group at 10851 N. Black Canyon Highway, Suite 660, Phoenix, 85029.
4. The coverage will continue for six months for groups of fewer than 20 employees, and 18 months for groups of 20 or more, or until you request the coverage to end.

For additional information, please contact the Healthcare Group Customer Care Department at 602.417.6755 or 800.247.2289 (outside of Maricopa County).

EMPLOYER OF THE MONTH



Meet Lauri Leadley with Valley Oximetry

Lauri Leadley is the founder and owner of Valley Oximetry, a growing sleep disorder center with two Valley locations. Oximetry involves the measurement of oxygen levels, which is how Lauri, with a background in respiratory therapy, got her start in diagnosing and treating sleep disorders. She first tested oxygen levels at home, and then began to get requests from doctors' offices for overnight studies, then sleep studies. She started her first facility in Mesa with two beds in October, 2002. She then grew to six beds, and then expanded to another location in the Arizona Biltmore area.

Lauri understands the importance of giving her patients all of the comforts of home. Fortunately for her clients, this means private, cozy rooms with a large, flat-screen television and DVD player, as well as a private bathroom. She also accepts several different insurance plans and provides transportation to and from the studies.

Lauri attributes much of her ability to attract and retain quality employees to offering healthcare coverage through Healthcare Group. Prior to obtaining HCG coverage, because of pre-existing conditions, Lauri's husband was unable to leave his job in the corporate world to work with her business (because they needed the insurance his company offered). And because insurance plans were so expensive for her business, employees had a difficult time affording the high premiums. Healthcare Group's community-rated premiums meant affordable coverage for her family and her employees.

To learn more about Valley Oximetry, visit their Web site at www.valleysleepcenter.com or call 480.830.3900.

**Send us your e-mail address
hcg@hcgaz.com**

**also include your group ID and contact name*

HCG on the Net

Be sure to check out the Healthcare Group Web site at www.hcgaz.com for your Healthcare Group questions and needs. Aside from the information always accessible, like forms, benefit plan summaries, Web payments, and listings of contracted doctors and hospitals, we now also have available the updated prescription drug formularies, member handbooks and a special section for providers.

As we continue to make improvements, the Web site will become increasingly interactive. We will eventually work toward a member login, which would allow groups to make changes online. *News2Use* will continue to provide updates regarding what is new on the Healthcare Group Web site.



How Do You Feel about This E-newsletter?

Do you prefer to read an electronic newsletter or a hard copy? Is this online newsletter a good form of communication for you? Is e-mail generally the best way to reach you? Please take a few minutes to complete our quick online survey (www.hcgaz.com/onlineSurvey) and let us know how open you are to continuing to receive our newsletters online. You will be asked for your e-mail information when you begin the survey; please provide us with your e-address for up-to-the-minute news

Share the Spotlight, Tell a Story, Ask a Question!

If you'd like to be considered as a featured business in a future edition, would like to propose a timely informational story to share with other employer groups, or if you have any questions or comments regarding this edition of *News2Use*, please contact Jenelle Dubois: jdubois@hcgaz.com.

Questions or Comments?

Contact Jenelle Dubois, Marketing and Communications Manager at 602.417.6740, jdubois@hcgaz.com, or visit us on the Web at www.hcgaz.com.



www.hcgaz.com • 602.417.6755 • 800.247.2289 (outside Maricopa County)
10851 N. Black Canyon Hwy., Suite 660 • Phoenix, AZ 85029